

Original Paper

Analysis of the Difference of CSR Reports between China and the US from the Perspective of Hofstede's Cultural Dimension

Theory

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Abstract

Corporate Social Responsibility (CSR) refers to the enterprise's responsibility to shareholders, employees, creditors, consumers, social welfare, as well as the environment and resources. The fulfillment of CSR by an enterprise helps to create a good reputation and brand image of the enterprise, which attracts investors and enhances the competitive advantage of the enterprise. As the official written report of corporate social responsibility disclosure, the CSR report most visually demonstrates the social responsibility philosophy and practice of an enterprise. However, due to the differences in cultures of different countries, the understanding and practice of CSR vary from country to country. This paper takes six Chinese and American companies in the banking industry that have been listed on the Fortune Global 500 list for 10 consecutive years from 2014 to 2023 to build a corpus sample of CSR reports, and with the help of the Lancsbox X corpus tool, this paper analyzes the keywords based on Hofstede's theory of cultural dimensions, and draws the following conclusions: China is a collectivist culture with high power distance, low tolerance for uncertainty, and long-term orientation, while America is an individualistic culture with low power distance, high tolerance for uncertainty, and short-term orientation.

Keywords

csr, fortune global 500, cultural dimension theory

1. Introduction

1.1 Research Significance

As a document that the country encourages and compels enterprises to issue, the CSR report describes in detail enterprises' specific practices in fulfilling their responsibilities in the areas of economy,

environment, and society, and shows the outside world enterprises' social responsibility actions and achievements through data and cases. Therefore, the Corporate Social Responsibility (CSR) report serves as one of the vital mediums through which the world can observe how enterprises from various countries fulfill their environmental responsibilities and contribute to global environmental governance. The significance of the CSR report is self-evident. However, due to cultural differences among countries, the understanding and implementation of Corporate Social Responsibility (CSR) vary from nation to nation. Therefore, drawing upon Hofstede's cultural dimensions, this paper will undertake a cross-cultural study, using CSR reports from the same industry within the top 500 companies in China and the United States as examples, to analyze the discrepancies between them and further substantiate Hofstede's Cultural Dimension Theory.

1.2 Research Structure

This paper comprises four parts.

The first part briefly introduces the significance of Corporate Social Responsibility (CSR) reports, analyzes the rationale behind sample selection, and outlines the structure of the paper.

The second part primarily summarizes the linguistic research findings of domestic and international scholars regarding CSR reports. It also provides a concise introduction to Hofstede's theory of cultural dimensions.

In the third part, the author delineates the research design of this paper, detailing the process and criteria for sample collection and corpus creation. Utilizing Hofstede's theory of cultural dimensions and assisted by the LancsBox X corpus tool, the author compares and analyzes the keywords (predominantly verbs and nouns) in the samples to investigate the disparities between Chinese and American CSR reports and validate Hofstede's propositions.

The fourth part presents the summary and insights, where the author consolidates the research findings of this paper. Based on these findings, the author derives inspiration for enhancing cross-cultural understanding of CSR reports and facilitating international cooperation and communication.

2. Literature Review

2.1 Literature Review of Foreign and Domestic Research on CSR

Corporate non-financial reporting, represented by CSR reporting, has been a popular research object for scholars inside and outside of China in recent years. Nowadays, scholars both at home and abroad have done plentiful research on CSR on CNKI. In the search for "CSR report", there are thousands of results, among which the research involving economics is the mainstream, the research field also covers finance, environmental science, investment, and other disciplines, however, there is a relative lack of research on CSR report from the perspective of linguistics.

Domestic research on CSR reports also covers the fields of economics, finance, investment, environmental science, Chinese language and literature, and foreign language and literature. Among them, there are 73 studies involving linguistics, embarking on ecological discourse analysis, corpus

analysis, text type theory, and other linguistic perspectives. For example, Xia and Xu (2020) used systemic functional linguistics as the theoretical framework to comparatively analyze the CSR reports of Geely Automobile and Daimler Automobile as ecological discourses, pointing out that in the discourse of CSR, the enterprises not only construct their identity, as well as the ecosphere of reciprocal symbiosis (i.e., the interaction, behavior, mode, and degree of ecological units and ecological environment), and also realizes and mediates the competitiveness of enterprises through the construction of the concept of "social responsibility" and "sustainable development". Based on the theory of genre analysis, Chen and Shen (2016) compared 40 English-language CSR annual reports of Chinese and American corporations based on a corpus, analyzed the characteristics of their linguistic structure and the similarities and differences, and pointed out that the differences in the linguistic structure of CSR reports between Chinese and American corporations are caused by social and cross-cultural factors, the nature of the industry, corporate culture, and the mode of strategy, etc.

Based on different linguistic approaches, the above studies analyzed CSR reports from different theoretical perspectives of linguistics, providing insights for corporate identity construction and improving report translation quality.

However, the research based on a cross-cultural perspective is not sufficient, therefore, this paper will conduct a comparative study of CSR reports from a cross-cultural perspective, to help enterprises learn social responsibility better from practice, have a deeper understanding of other countries' cultures, and strengthen international cooperation.

2.2 A Brief Introduction to Hofstede's Cultural Dimension Theory

From the perspective of organizational communication, Hofstede (1983, 1984) developed a set of widely-used Cultural Value Orientation Models: Hofstede's research group, which surveyed more than 160,000 company line managers and employees in more than 60 countries and regions, found that cultural values could be categorized into four types. Later, more information from Asia was added and analyzed, and it was found that cultural values could be categorized into six types: individualism/collectivism, power distance, uncertainty avoidance, short-term/long-term orientation, masculinity/femininity, and Confucian dynamics (Chen, 2009). This paper will focus on analyzing the former four types of cultural value orientation patterns.

According to Hofstede's research, China is a country characterized by high power distance, low uncertainty avoidance, collectivism, and a long-term orientation, and the United States is a country characterized by low power distance, high uncertainty avoidance, individualism, and short-term orientation.

2.3 A Brief Introduction of the Corpus Tool LancsBox X

LancsBox X is a new-generation software package for the analysis of language data and corpora developed at Lancaster University. There are six functional modules for LancsBox X, namely "KWIC", "Whelk", "GraphColl", "N-grams", "Words" and "Text" (Wang & Pan, 2020). In this paper, of the six modules, the author mainly uses the module "WHELK" to analyze the frequency of specific nouns and

verbs, and to visualize the context of keywords, thus further analyzing the similarities and differences between Chinese and American CSR reports from the perspective of Hofstede's Cultural Dimension Theory.

3. Research Design

There are numerous similarities and differences between the CSR reports of Chinese and American enterprises. This part will specifically focus on the frequency of verbs and nouns in the sampled reports. Drawing from Hofstede's Cultural Dimension Theory, and with the assistance of the LancsBox X tool, the author aims to illustrate the distinct cultural characteristics embodied in the CSR reports of Chinese and American enterprises.

3.1 Data Collection

The author will consult the 2023 Fortune Global 500 list, which is updated synchronously worldwide through Fortune China. By reviewing the historical rankings of the companies listed, the author will screen out a total of 157 Chinese and American companies that have consistently ranked on the list for 10 consecutive years, from 2014 to 2023. Among these, 89 are American and 68 are Chinese enterprises. For this paper, three representative companies from the banking industry will be selected from both the Chinese and American groups (see Table 1). By accessing their respective international official websites, two comparative English corpora will be constructed, comprising the English versions of their 2022 social responsibility reports.

Table 1. Sample English Corpus of 2022 CSR Reports from Chinese and American Banks

Corporate Name	Ranking on Fortune Global 2023	Country
Industrial and Commercial Bank of China	28	China
China Construction Bank	29	China
Agricultural Bank of China	32	China
J.P.Morgan	53	America
Bank of America	82	America
Citigroup	99	America

The reasons for conducting a study on the social responsibility reports of Chinese and American Fortune 500 companies are as follows:

- (1) China and the United States are respectively the quintessential representatives of Chinese and Western cultures. Therefore, the outcomes of cross-cultural research on their CSR reports are highly representative, justifying their selection as the primary focus of our study.
- (2) Chen Jiagui (1995) summarized the key characteristics of each stage of enterprise growth, noting that the world's top 500 enterprises are in the mature phase of their life cycle. These enterprises, having honed their business philosophies and cultivated their corporate spirits over many years, prioritize the

fulfillment of social responsibility over economic maximization. Consequently, their CSR reports hold significant research value.

(3) The world's top 500 companies boast robust economic performance and well-established talent development systems. In terms of producing English translation reports, these enterprises possess outstanding translation teams capable of delivering highly reliable reports. As a result, the quality of their English CSR reports is relatively high, making research findings based on these reports highly convincing and informative.

3.2 Corpus Establishment

The author downloaded and acquired six PDF versions of the 2022 CSR reports in English from the official English websites of the sampled enterprises. Using these six PDF reports as the original corpus, the author established two comparable corpus databases, categorizing them based on the country of the respective enterprises. The details of the corpus databases are outlined in the following table:

Table 2. Details of the Corpora

Corpus Name	File Quantity	Token Number
CSR Report of Chinese Enterprises (Corpus 1)	3	106521
CSR Report of American Enterprises (Corpus 2)	3	137001

3.3 Analysis of CSR Reports Based on Cultural Dimension Theory

3.3.1 Individualism & Collectivism

According to Chen, individualism versus collectivism serves as a dimension to depict human relationships. For instance, America exemplifies a typical individualism-oriented country where managers in corporations view themselves as independent entities, unaccustomed to forming close social ties. They prefer autonomous decision-making and believe that such values are universally accepted. Conversely, in collectivism-oriented countries, employees share a common goal with their team. Additionally, companies in these societies recognize and reward their employees' contributions. In collectivist cultures, the principle of mutual benefit is upheld, and cooperation is the prevailing norm. In contrast, individualistic societies exhibit the opposite trend, where team members primarily consider themselves as individuals and prioritize their interests above all else.

Upon searching for the keywords "individual" and "cooperation" in the LancsBox X "Whelk" module, the results obtained are as outlined below:

Table 3. Frequency of Keywords

Keyword	Frequency in Corpus 1(Chinese)	Frequency in Corpus 2(English)
Individual	14	26
Cooperation	80	3

Judging from the data in the table, “Individual” appears more in English (US) contexts, suggesting a stronger emphasis on individualism. “Cooperation” appears much more in Chinese contexts, indicating a stronger emphasis on collectivism. It manifests that Chinese enterprises belong to the collectivist culture, and American firms belong to the individualistic culture.

3.3.2 Power Distance

Power distance is a dimension that measures the degree to which employees within an organization accept the unequal distribution of power. In cultures with high power distance, hierarchical structures are delineated, with distinct boundaries between employers' and employees' authority and responsibilities. In contrast, cultures with low power distance prioritize professional competence over hierarchical status, and employees in these cultures focus less on rigid etiquette, titles, status, gender, and age differences. Instead, they emphasize equity.

Table 4. Frequency of Keywords

Keyword	Frequency in Corpus 1(Chinese)	Frequency in Corpus 2(English)
Equity	14	328
Equitable	0	149

In Chinese contexts (Corpus 1), "equity" appears 14 times, with no mentions of "equitable," suggesting a lower emphasis on equity and a tendency to accept unequal power distributions. In contrast, in English contexts related to American culture (Corpus 2), "equity" appears 328 times, and "equitable" appears 149 times, highlighting a greater emphasis on equity and equality.

This data further reinforces Hofstede's perspective that China embodies a high-power distance culture, whereas the United States exemplifies a low-power distance culture.

3.3.3 Uncertainty Avoidance

Uncertainty refers to the ambiguity or unpredictability of a situation, which arises from insufficient or poor knowledge of the situation and therefore causes psychological stress. Different cultures have different levels of tolerance for the stress of uncertainty. Cultures with high uncertainty avoidance usually seek greater career stability, establish more routines dislike deviant thoughts or behaviors, and more readily accept the possibility that absolute truths exist. While cultures with low uncertainty avoidance are more able to deal with ambiguity or unpredictability and are more accepting of deviant thoughts and behaviors.

China is a country with low uncertainty avoidance while America is a country with high uncertainty avoidance, the author searched the frequency of the keyword “follow”, and the result in the LancsBox X shows that there is not much difference in quantity as to the frequency of the word “follow”, however, there are differences when the author observes the context of it. As a verb, the objectives of the word “follow” are usually nouns. According to the search result, the author finds that in CSR

reports of Chinese enterprises, the objectives are usually ambiguous and abstract concepts such as “principle”, “suit”, and “WeChat bank”, while in the report of American report, the objectives are rather specific, such as “guidance from NZBA”, “GHG Protocol Corporate Standard and Scope 2 Guidance”, “contractual compliance and information”. Judging from the contextual content, Hofstede’s opinion is further proved.

3.3.4 Long-term & Short-Term Orientation

According to Cheng (2023), The long-term/short-term orientation mainly indicates the acceptance of social members to delay their material enjoyment, and the long-term orientation culture is oriented to long-term goals and interests and future returns, while the short-term goals are more important and respectful of the present and traditions, and pay more attention to the maintenance of face and the fulfillment of social responsibilities. At the same time, this cultural dimension is related to the attitude of social members towards time, and the community members in the short-term oriented culture expect quick results.

In other words, compared with culture with short-term orientation, culture with long-term orientation shows much concern for the future, and makes preliminary preparations, Searching the keyword “future” in LancsBox X, the result is as follows:

Table 5. Frequency of Keywords

Keyword	Frequency in Corpus 1(Chinese)	Frequency in Corpus 2(English)
Future	14	71

Based on the data, the keyword "future" appears more frequently in English (corpus 2, 71 times) than in Chinese (corpus 1, 14 times). This suggests that English-speaking contexts, particularly those associated with the US, have a stronger long-term orientation compared to Chinese contexts, which tend to have a shorter-term focus.

4. Conclusion

This paper analyzed the cultural difference between Chinese and American enterprises’s CSR reports based on Hofstede’s Cultural Dimension Theory, by comparing the frequency of keywords in the CSR reports of Chinese and American enterprises respectively, the author concludes that China is a collectivist culture with high power distance, low tolerance for uncertainty, and long-term orientation, while America is an individualistic culture with low power distance, high tolerance for uncertainty, and short-term orientation.

The author hopes the research result will inspire the compilation of CSR reports from a cross-cultural perspective. However, the paper has something to be improved as the research sample and findings are relatively insufficient. So, it is expected that later scholars can further improve the content based on it.

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